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May 8, 2009

Dear Prospective Bidder for Agriculture Market Rent Study:

The following provides the answers to the questions submitted to IDL by the May 6th deadline in conjunction with the RFP for Contract 09-409:

Question: Your appraisal qualifications require state certification and a professional designation. Is the designation a hard requirement?

Answer: Here are the updated requirements:

CONTRACTOR QUALIFICATIONS

It is desired, but not required, that potential contractors (offerors) have education or work experience involving agricultural properties. Offerors holding a professional appraisal organization designation such as *Accredited Rural Appraiser (ARA)*, *Accredited Farm Manager (AFM)*, or *Member Appraisal Institute (MAI)* will receive additional consideration during the selection process. Any potential contractor who is an appraiser should be a state certified general real estate appraiser in the State of Idaho in accordance with Title 54, Chapter 41, Idaho Code-Idaho Real Estate Appraisers Act. Those offerors having experience performing leasing and rental study analysis will be considered the strongest candidates. Sample/evidence of comparable rent studies should be submitted with proposal.

Question: You have not provided any indication as to how much sampling is enough. Lease information is difficult to obtain – more so in some areas than others. Can you give some parameters on how much data you will require to establish trends? I can see the bids on this being widely varied; as an example one appraisal firm may really want to give you a good product and bids it accordingly while the next one just wants to get you 10 leases for Latah county and move on to the next place – and as you may or may not know, Latah county is widely varied in terms of agricultural production and lease terms. Without giving some more specific parameters on what you expect to see, how are you going to assure that you end up with a quality end product.

Answer: IDL does not intend to require the contractor to research a specific number of leases within a given county per year per study region. That being said it will be important for the contractor to gather sufficient lease market data within each region by year for the 2004-2008 period to provide a thorough analysis of the information sought in Section 2 Scope of Work - the Market Rent Analysis Section. Theoretically, it would be desirable to have lease information for several leases scattered across each region providing an accurate picture of what the agriculture rental market is for the specific region(s).

Question: The contract proposal states you need names, dates, legal's and specifics. While we have that data and can summarize it and show you generally where it is, we could not give so much data that we violate the fiduciary relationship. These leases are on-going and if a competing neighbor knew the terms of the lease, he could out bid the current the tenant. We would be liable for damages. Can you modify your verification information needed?

Answer: IDL can modify the verification information needed; we understand that confidentiality will be an issue. The Scope of Work section on page 7 "Description of Services; and Data to be provided" subsection A states, "It is acceptable to redact confidential information from the lease data sheets. All lease rental information, leasing methodology analysis, and other agriculture market information resulting from this study shall become the property of IDL and treated as confidential." The information needed for "Lease Data Sheets" is described in the "Market Rent Analysis" section under subsection 2. We have modified the Scope of Work to indicate that names of landlord and lessee are not required. We have modified the verification of lease information to only include the date verified "not by whom". Regarding water rights we only want to know if the water right is owned by "lessee or landlord" not the name of who owns it. An updated Market Rent Analysis section – Subsection 2 now reads as follows:

2. Record leasing information collected on Lease Data Summary sheets for crop share, cash, and flexible cash lease arrangement by respective county. Lease Data Summary sheets should include:

- Indicate if Lessor is a public or private entity
- General location in County where lease is located
- Date information verified
- Access i.e. legal/non-legal and type of road surface, not legal description
- Dry agricultural or irrigated agricultural land
- If irrigated who owns water right (i.e. lessor or lessee, not names)
- Type of Lease i.e. crop share, cash, flexible cash lease
- Acres in lease
- Total acres and farmable acres
- Term of lease i.e. years
- Total lease rental and lease payment per acre

- Crop rotation and portion summer fallowed
- Crop yield per acre per commodity
- Commodities grown and percent shares
- How is commodity storage provided
- Are commodities under contract or sold subsequent to harvest
- Expenses and how split between landlord and lessee
- Farm subsidy payment
- CRP payment and split between landlord and lessee
- Crop insurance i.e. who pays
- Is lease handled by professional farm manager for the landlord
- Farm manager fee for providing management oversight

Question: What do you expect this to cost, and would this be an on-going project we could update every year?

Answer: IDL has never contracted for this type of analysis; therefore, we do not know. This is why it is an RFP; so we can find out from experts such as you that do work like this. We do not envision this as an on-going project.

Thank you for your interest in doing business with IDL.

Anthony L. Pirc
Purchasing Agent
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